

MONTANA LEGISLATIVE HISTORY

Chapter 160 19 79

Bill H _____ S 381 Original bill & history ☒ C

H. Committee on Business - Industry

S. Committee on Business - Industry

Hearing Date(s) 3-1 _____ C

Hearing Date(s) 2-13 _____ C

3-2 _____ C

_____ C

_____ C

Date Out 3-2 _____ C

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2-13 _____ C

Did this bill originate in an interim committee? _____ Yes _____ No

Committee _____

Report _____

1 *House* BILL NO. *381*
 2 INTRODUCED BY *Himal Swanson Goodover*
 3 *Fuller*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO SET THE MAXIMUM
 5 FINANCE CHARGE FOR RETAIL INSTALLMENT SALES OF ANY
 6 MANUFACTURED STRUCTURE OR RECREATIONAL VEHICLE AT \$9 PER
 7 \$100 PER YEAR; DEFINING MANUFACTURED STRUCTURE AND
 8 RECREATIONAL VEHICLE; AMENDING SECTIONS 31-1-202 AND
 9 31-1-241, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 31-1-202, MCA, is amended to read:
 13 "31-1-202. Definitions. (1) Unless the context
 14 requires otherwise, in this part the following definitions
 15 apply:

16 (a) "Cash sale price" means the price stated in a
 17 retail installment contract or in a sales slip or other
 18 memorandum furnished by a retail seller to a retail buyer
 19 under or in connection with a retail charge account
 20 agreement for which the seller would have sold or furnished
 21 to the buyer and the buyer would have bought or obtained
 22 from the seller the goods or services which are the subject
 23 matter of the retail installment transaction, if the sale
 24 had been a sale for cash. The cash sale price may include
 25 any taxes, registration, certificate of title, license, and

1 official fees and cash sale prices for services, if any, and
 2 for accessories and their installation and for delivering,
 3 servicing, repairing, or improving the goods.

4 (b) "Department" means the department of business
 5 regulation provided for in Title 2, chapter 15, part 18.

6 (c) "Finance charge" means the amount, as limited by
 7 31-1-241, in addition to the principal balance, agreed upon
 8 between the buyer and the seller, to be paid by the buyer
 9 for the privilege of purchasing goods or services to be paid
 10 for by the buyer in one or more deferred installments.

11 (d) "Goods" means all chattels personal, including
 12 motor vehicles and merchandise certificates or coupons
 13 exchangeable for chattels personal but not including money
 14 or things in action. The term includes goods which, at the
 15 time of the sale or subsequently, are to be so affixed to
 16 realty as to become a part thereof, whether or not severable
 17 from it.

18 (e) "Holder" means the retail seller of the goods or
 19 services under the retail installment contract or retail
 20 charge account agreement or a person who establishes and
 21 administers retail charge account agreements with retail
 22 buyers; the assignee, if the retail installment contract or
 23 the retail charge account agreement or the balance in the
 24 account under either has been sold or otherwise transferred;
 25 or any other person entitled to the rights of the retail

1 seller under any retail installment contract or any retail
2 charge account agreement.

3 ~~(f) "Manufactured structure" means any structure,~~
4 ~~transportable in one or more sections, designed to be used~~
5 ~~as a single-family dwelling or commercial building with or~~
6 ~~without a permanent foundation when connected to the~~
7 ~~required utilities and includes the plumbing, heating, air~~
8 ~~conditioning, and electrical systems contained therein.~~

9 ~~(f)(g)~~ "Motor vehicle" means any new or used
10 automobile, ~~mobile---home~~ motorcycle, truck, trailer,
11 semitrailer, truck tractor, and all vehicles with any power,
12 other than muscular power, primarily designed or used to
13 transport persons or property on a public highway,
14 excepting, however, any vehicle which runs only on rails or
15 tracks or in the air.

16 ~~(g)(h)~~ "Official fees" means the fees prescribed by
17 law for filing, recording, or otherwise perfecting and
18 releasing or satisfying any title or lien retained or taken
19 by a seller in connection with a retail installment
20 transaction.

21 ~~(h)(i)~~ "Person" means an individual, partnership,
22 corporation, association, and any other group, however
23 organized.

24 ~~(i)(j)~~ "Principal balance" means the cash sale price
25 of the goods or services which are the subject matter of a

1 retail installment transaction plus the amounts, if any,
2 included in the sale, if a separate identified charge is
3 made therefor and stated in the contract, for insurance and
4 other benefits and official fees, minus the amount of the
5 buyer's down payment in money or goods.

6 ~~(k) "Recreational vehicle" means a vehicular type unit~~
7 ~~that either has its own motor power or is mounted on or~~
8 ~~drawn by another vehicle, primarily designed as temporary~~
9 ~~living quarters for recreational, camping, or travel use.~~

10 ~~(j)(l)~~ "Retail buyer" or "buyer" means a person who
11 buys goods or obtains services from a retail seller in a
12 retail installment transaction and not for the purpose of
13 resale.

14 ~~(k)(m)~~ "Retail charge account agreement" means an
15 instrument in writing prescribing the terms of retail
16 installment transactions which may be made under it from
17 time to time under which a retail seller gives to a retail
18 buyer the privilege of using a credit card issued by the
19 retail seller or any other person or other credit
20 confirmation or identification for the purpose of purchasing
21 goods or services from the retail seller, from the retail
22 seller and any other person, or from a person licensed or
23 franchised by the retail seller and under the terms of which
24 a finance charge as defined in this section may be computed
25 in relation to the buyer's balance in the account from time

1 to time.

2 (b) "Retail installment contract" or "contract"
3 means an agreement evidencing a retail installment
4 transaction entered into in this state under which a buyer
5 promises to pay in one or more deferred installments the
6 time sale price of goods or services, or both. The term
7 includes a chattel mortgage, conditional sales contract, and
8 a contract for the bailment or leasing of goods by which the
9 bailee or lessee contracts to pay as compensation for its
10 use a sum substantially equivalent to or in excess of its
11 value and by which it is agreed that the bailee or lessee is
12 bound to become, or for no further or a merely nominal
13 consideration has the option of becoming, the owner of the
14 goods upon full compliance with the provisions of the
15 contract.

16 (c) "Retail installment transaction" means a
17 written contract to sell or furnish, or the sale or
18 furnishing of, goods or services by a retail seller to a
19 retail buyer pursuant to a retail charge account agreement
20 or under a retail installment contract.

21 (d) "Retail seller" or "seller" means a person who
22 sells goods or furnishes services to a retail buyer in a
23 written retail installment contract or written retail
24 installment transaction.

25 (e) "Sales finance company" means a person engaged,

1 in whole or in part, in the business of purchasing retail
2 installment contracts from one or more sellers. The term
3 includes but is not limited to a bank, trust company,
4 investment company, or savings and loan association, if so
5 engaged. The term does not include a person who makes only
6 isolated purchases of retail installment contracts, which
7 purchases are not being made in the course of repeated and
8 successive purchases of retail installment contracts from
9 the same seller.

10 (f) "Services" means work, labor, and services
11 furnished in the delivery, installation, servicing, repair,
12 or improvement of goods.

13 (g) "Time sale price" means the total of the cash
14 sale price of the goods or services and the amount, if any,
15 included for insurance and other benefits, if a separate
16 identified charge is made therefor, and the amounts of the
17 official fees and the finance charge.

18 (2) This part does not apply to the lending of money
19 by banks or other lending institutions and securing loans by
20 chattel mortgages of goods in the ordinary course of lending
21 by those banks or other lending institutions. However, this
22 part pertains to the extension of credit by those banks or
23 other lending institutions under retail installment
24 contracts or credit cards issued by those banks or other
25 lending institutions."

Section 2. Section 31-1-241, MCA, is amended to read:

"31-1-241. Finance charge limitation. (1)

Notwithstanding the provisions of any other law, the finance charge included in a retail installment contract shall not exceed the following schedule:

(a) as to motor vehicles:

(i) class 1--any new motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made, \$7 per \$100 per year;

(ii) class 2--any new motor vehicle not in class 1 and any used motor vehicle designated by the manufacturer by a year model of the same or not more than 2 years prior to the year in which the sale is made, \$9 per \$100 per year;

(iii) class 3--any used motor vehicle not in class 2 and designated by the manufacturer by a year model more than 2 years prior to the year in which the sale is made, \$11 per \$100 per year.

(b) as to any industrial or construction equipment primarily designed for or used in construction, logging, mining, or other industrial business, the price of which is over \$5,000, \$9 per \$100 per year. This subsection shall not apply to agricultural equipment.

~~(c) as to any manufactured structure or recreational vehicle, \$9 per \$100 per year.~~

~~(c)(d)~~ as to services and goods other than as provided

under subsections (1)(a), ~~and (1)(b), and (1)(c)~~ above:

(i) on so much of the principal balance as does not exceed \$300, \$11 per \$100 per year;

(ii) if the principal balance exceeds \$300 but is less than \$1,000, \$9 per \$100 per year on that portion over \$300;

(iii) if the principal balance exceeds \$1,000, \$7 per \$100 per year on that portion over \$1,000.

(2) Such finance charge shall be computed on the principal balance as determined under 31-1-231(5) on contracts payable in successive monthly payments substantially equal in amount from the date of the contract until the maturity of the final installment, notwithstanding that the total time balance thereof is required to be paid in installments. A minimum finance charge of \$20 may be charged on any retail installment contract.

(3) When a retail installment contract provides for payment other than in equal successive monthly installments the finance charge may be a rate which will provide the same yield as is permitted on monthly payment contracts under subsections (1) and (2) hereof, having due regard for the schedule of payments in the contract.

(4) Notwithstanding the provisions of any other law, a retail charge account agreement may provide for and the seller or holder may charge, collect, and receive a finance charge as specified herein for the privilege of paying in

1 installments thereunder. The finance charge may be computed
2 from month to month (which need not be a calendar month) or
3 other regular billing cycle period by applying a rate not to
4 exceed 1 1/2% for each such monthly period to an amount (not
5 including any unpaid finance charge) not in excess of the
6 greatest of:

7 (a) the average daily balance in the account in the
8 billing cycle period;

9 (b) the ending balance of the account as of the last
10 day of the billing cycle less the amount of purchases
11 charged to the account during that billing cycle; or

12 (c) the median amount within a \$10 range within which
13 such average daily balance or beginning balance falls,
14 provided the seller applies the same rate of finance charge
15 to all such balances within such range.

16 (5) If the finance charge so determined pursuant to
17 (4) above for such monthly period is less than 50 cents, a
18 maximum finance charge not in excess of 50 cents may be
19 charged, received, and collected for such period."

20 Section 3. Effective date. This act is effective on
21 passage and approval.

-End-

COMMITTEE ON BUSINESS & INDUSTRY

BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
SB #230	1/24/79	2/5/79	2/7/79		2/7/79				
SB #255	1/25/79	2/8/79	2/10/79	2/10/79					
SB #268	1/26/79	2/12/79	2/12/79			2/12/79			
SB #272	1/27/79	2/3/79	2/3/79	2/3/79					
SB #280	1/29/79	2/12/79	2/12/79	2/12/79					
SB #302	1/31/79	2/7/79	2/15/79			2/15/79			
SB #328	2/1/79	2/8/79	2/8/79	2/8/79					
SB #359	2/7/79	2/14/79	2/15/79		2/15/79				
SB #365	2/5/79	-----	Transferred to Agriculture on			2/10/79	-----	-----	
SB #371	2/5/79	2/9/79	2/9/79			2/9/79			
SB #381	2/6/79	2/13/79	2/13/79	2/13/79					
SB #383	2/6/79	2/13/79	2/13/79			2/13/79			
SB #399	2/7/79	2/14/79	2/14/79	2/14/79					
SB #408	2/7/79	2/14/79	2/14/79	2/14/79					
SB #421	2/9/79	2/15/79	2/15/79	2/15/79					
SB #427	2/9/79	2/15/79	2/15/79	2/15/79					

Use a separate sheet for Senate, House Bills, and Resolutions.

MINUTES OF THE MEETING
BUSINESS & INDUSTRY COMMITTEE
MONTANA STATE SENATE

February 13, 1979

The meeting of the Business and Industry Committee was called to order by Chairman Frank Hazelbaker on the above date in Room 404 of the State Capitol Building at 10:00 a.m.

ROLL CALL: All members were present.

SENATE BILL 381: Chairman Hazelbaker called on Senator Matt Himsel, sponsor of Senate Bill 381, to explain the bill to the Committee.

Senator Himsel stated that Senate Bill 381 would amend the finance charge on installment sales of any manufactured structure (mobile homes) or recreational vehicles from class one, covering vehicles and the 7% rate, to 9%--add-on rate.

PROPOSERS OF SENATE BILL 381: Mr. Ed Sheehy, Jr., representing the Montana Manufactured Housing Association, explained the terminology of the bill and introduced the following proponents who identified themselves and stated they were in support of Senate Bill 381.

Mr. William Novak, representing Char El Homes, Corp., Billings,
Montana
Mr. Trent Leduc, representing Golden Wheels, Inc., Kalispell,
Montana
Mr. Jack Boles, representing American Ideal Homes, Helena, Montana
Mr. Bruce Stiegler, representing Mobile Home Show & Sales, Inc.,
Missoula, Montana
Mr. R. D. Rangitsch, representing Rangitsch Brothers Mobile Homes,
Missoula, Montana
Mr. Robert Paper, representing Total Housing Center, Inc.,
Great Falls, Montana
Mr. Robert Anderson, Southside National Bank, Missoula, Montana
Mr. Glen Miller, representing General Electric Credit Corporation,
Boise, Idaho
Mr. Doug Dirks, representing Nationwide Financial Corporation,
Portland, Oregon
Mr. Lorne Scofield, representing Shelter America Corporation,
Denver, Colorado
Mr. George Swords II, representing Montana Manufactured Housing
Assoc., Billings, Montana
Mr. Lyle Linse, representing Falls Mobile Home Center, Inc.,
Great Falls, Montana
Mr. Brian Hantla, representing Shelter America Corporation,
Boise, Idaho

Senator Pat Goodover also wished to be recognized as a proponent of Senate Bill 381.

There were no opponents to Senate Bill 381.

There was a question and answer period from the Committee.

DISPOSITION OF SENATE BILL 381: Senator Lowe moved that Senate Bill 381 Do Pass. Senator Goodover seconded the motion. The Committee voted unanimously that SENATE BILL 381 DO PASS. Senator Regan was the only "No" vote.

SENATE BILL 383: Chairman Hazelbaker introduced Senator Bill Thomas, sponsor of Senate Bill 383. Senator Thomas called on Mr. Gene Hufford of D. A. Davidson & Co., Great Falls, Montana, to explain the bill to the Committee.

Mr. Hufford stated this bill adds to the list of securities that may be pledged to secure deposits of public funds. He further stated that this bill would be a benefit particularly because it would increase the marketability of Montana municipal bonds.

Mr. Harold Pitts, representing Montana Bankers Association, stated that they are in support of SB 383.

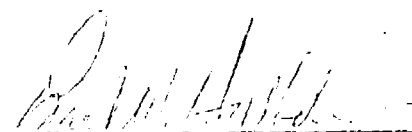
There was a question and answer period from the Committee.

Mr. Hufford proposed an amendment to Senate Bill 383.

Senator Dover moved the amendment Do Pass. The Committee voted unanimously to adopt the amendment.

Senator Dover moved that Senate Bill 383 Do Pass as Amended. The motion was seconded by Senator Goodover. The Committee voted unanimously that Senate Bill 383 DO PASS AS AMENDED.

ADJOURN: There being no further business, the meeting was adjourned at 11:00 a.m.



Sen. Frank Hazelbaker, Chairman

[illegible]

Senate Bill 381 would amend the finance charge schedule on installment sales of any manufactured structure (mobile homes) or recreational vehicles from class one, covering motor vehicles and the 7% rate, to 9%--add-on rate.

When this rate was established in 1959--20 years ago--mobile homes and recreational vehicles were not at all what they are today--in form or in price.

Now these units are big ticket items and at a 7% rate--when money market securities (certificate of deposits) or treasury bills will earn 9½% or better--no one wants long term mobile home paper--sellers can't sell and buyers can't buy--no one wants to finance--at a 9% add-on rate--a 10 year contract would yield 14.50%^{annualized rate}--which is still a marginal prospect for a 10 year commitment.

Older people who are retiring and no longer need a family home, and young people who have no families--find it difficult, if not impossible, to buy conventional housing which seems to have reached the \$40,000 - \$50,000 level--they are prospective buyers for a \$15,000 to \$20,000 mobile or modular home.

Two years ago, the legislature raised the rate from 7 to 9% on industrial and construction equipment over \$5,000 for the same reason--Buyers couldn't buy and sellers couldn't sell--Montana purchasers went to Wyoming and Washington where financing terms were not so restrictive.

It seems only reasonable, as well as obvious, in the light of today's market and interest rates, that this law be changed and the rate for mobile homes and recreational vehicles be realistic

as a service to both buyers, sellers, and those willing to carry the financing paper.

I respectfully urge the committee to give a do pass to Senate Bill 381.

(1) Definition = p 3 line 3
p 4 line 6

(2) Late change p 7 line 23

(3) Immediate effective date

DOW ATE	1 MOS.	2 MOS.	3 MOS.	4 MOS.	5 MOS.	6 MOS.	7 MOS.	8 MOS.	9 MOS.	10 MOS.	11 MOS.	12 MOS.	13 MOS.	14 MOS.	15 MOS.	16 MOS.	17 MOS.	18 MOS.	19 MOS.	20 MOS.
1.00	4.39%	5.12%	5.30%	5.36%	5.41%	5.45%	5.50%	5.56%	5.61%	5.63%										
1.25	4.40%	5.13%	5.31%	5.37%	5.42%	5.46%	5.51%	5.57%	5.62%	5.64%										
1.50	4.41%	5.14%	5.32%	5.38%	5.43%	5.47%	5.52%	5.58%	5.63%	5.65%										
1.75	4.42%	5.15%	5.33%	5.39%	5.44%	5.48%	5.53%	5.59%	5.64%	5.66%										
2.00	4.43%	5.16%	5.34%	5.40%	5.45%	5.49%	5.54%	5.60%	5.65%	5.67%										
2.25	4.44%	5.17%	5.35%	5.41%	5.46%	5.50%	5.55%	5.61%	5.66%	5.68%										
2.50	4.45%	5.18%	5.36%	5.42%	5.47%	5.51%	5.56%	5.62%	5.67%	5.69%										
2.75	4.46%	5.19%	5.37%	5.43%	5.48%	5.52%	5.57%	5.63%	5.68%	5.70%										
3.00	4.47%	5.20%	5.38%	5.44%	5.49%	5.53%	5.58%	5.64%	5.69%	5.71%										
3.25	4.48%	5.21%	5.39%	5.45%	5.50%	5.54%	5.59%	5.65%	5.70%	5.72%										
3.50	4.49%	5.22%	5.40%	5.46%	5.51%	5.55%	5.60%	5.66%	5.71%	5.73%										
3.75	4.50%	5.23%	5.41%	5.47%	5.52%	5.56%	5.61%	5.67%	5.72%	5.74%										
4.00	4.51%	5.24%	5.42%	5.48%	5.53%	5.57%	5.62%	5.68%	5.73%	5.75%										
4.25	4.52%	5.25%	5.43%	5.49%	5.54%	5.58%	5.63%	5.69%	5.74%	5.76%										
4.50	4.53%	5.26%	5.44%	5.50%	5.55%	5.59%	5.64%	5.70%	5.75%	5.77%										
4.75	4.54%	5.27%	5.45%	5.51%	5.56%	5.60%	5.65%	5.71%	5.76%	5.78%										
5.00	4.55%	5.28%	5.46%	5.52%	5.57%	5.61%	5.66%	5.72%	5.77%	5.79%										
5.25	4.56%	5.29%	5.47%	5.53%	5.58%	5.62%	5.67%	5.73%	5.78%	5.80%										
5.50	4.57%	5.30%	5.48%	5.54%	5.59%	5.63%	5.68%	5.74%	5.79%	5.81%										
5.75	4.58%	5.31%	5.49%	5.55%	5.60%	5.64%	5.69%	5.75%	5.80%	5.82%										
6.00	4.59%	5.32%	5.50%	5.56%	5.61%	5.65%	5.70%	5.76%	5.81%	5.83%										
6.25	4.60%	5.33%	5.51%	5.57%	5.62%	5.66%	5.71%	5.77%	5.82%	5.84%										
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7.00	4.63%	5.36%	5.54%	5.60%	5.65%	5.69%	5.74%	5.80%	5.85%	5.87%										
7.25	4.64%	5.37%	5.55%	5.61%	5.66%	5.70%	5.75%	5.81%	5.86%	5.88%										
7.50	4.65%	5.38%	5.56%	5.62%	5.67%	5.71%	5.76%	5.82%	5.87%	5.89%										
7.75	4.66%	5.39%	5.57%	5.63%	5.68%	5.72%	5.77%	5.83%	5.88%	5.90%										
8.00	4.67%	5.40%	5.58%	5.64%	5.69%	5.73%	5.78%	5.84%	5.89%	5.91%										
8.25	4.68%	5.41%	5.59%	5.65%	5.70%	5.74%	5.79%	5.85%	5.90%	5.92%										
8.50	4.69%	5.42%	5.60%	5.66%	5.71%	5.75%	5.80%	5.86%	5.91%	5.93%										
8.75	4.70%	5.43%	5.61%	5.67%	5.72%	5.76%	5.81%	5.87%	5.92%	5.94%										
9.00	4.71%	5.44%	5.62%	5.68%	5.73%	5.77%	5.82%	5.88%	5.93%	5.95%										
9.25	4.72%	5.45%	5.63%	5.69%	5.74%	5.78%	5.83%	5.89%	5.94%	5.96%										
9.50	4.73%	5.46%	5.64%	5.70%	5.75%	5.79%	5.84%	5.90%	5.95%	5.97%										
9.75	4.74%	5.47%	5.65%	5.71%	5.76%	5.80%	5.85%	5.91%	5.96%	5.98%										
10.00	4.75%	5.48%	5.66%	5.72%	5.77%	5.81%	5.86%	5.92%	5.97%	6.00%										
10.25	4.76%	5.49%	5.67%	5.73%	5.78%	5.82%	5.87%	5.93%	5.98%	6.01%										
10.50	4.77%	5.50%	5.68%	5.74%	5.79%	5.83%	5.88%	5.94%	5.99%	6.02%										
10.75	4.78%	5.51%	5.69%	5.75%	5.80%	5.84%	5.89%	5.95%	6.00%	6.03%										
11.00	4.79%	5.52%	5.70%	5.76%	5.81%	5.85%	5.90%	5.96%	6.01%	6.04%										
11.25	4.80%	5.53%	5.71%	5.77%	5.82%	5.86%	5.91%	5.97%	6.02%	6.05%										
11.50	4.81%	5.54%	5.72%	5.78%	5.83%	5.87%	5.92%	5.98%	6.03%	6.06%										
11.75	4.82%	5.55%	5.73%	5.79%	5.84%	5.88%	5.93%	5.99%	6.04%	6.07%										
12.00	4.83%	5.56%	5.74%	5.80%	5.85%	5.89%	5.94%	6.00%	6.05%	6.08%										
12.25	4.84%	5.57%	5.75%	5.81%	5.86%	5.90%	5.95%	6.01%	6.06%	6.09%										
12.50	4.85%	5.58%	5.76%	5.82%	5.87%	5.91%	5.96%	6.02%	6.07%	6.10%										
12.75	4.86%	5.59%	5.77%	5.83%	5.88%	5.92%	5.97%	6.03%	6.08%	6.11%										
13.00	4.87%	5.60%	5.78%	5.84%	5.89%	5.93%	5.98%	6.04%	6.09%	6.12%										
13.25	4.88%	5.61%	5.79%	5.85%	5.90%	5.94%	5.99%	6.05%	6.10%	6.13%										
13.50	4.89%	5.62%	5.80%	5.86%	5.91%	5.95%	6.00%	6.06%	6.11%	6.14%										
13.75	4.90%	5.63%	5.81%	5.87%	5.92%	5.96%	6.01%	6.07%	6.12%	6.15%										
14.00	4.91%	5.64%	5.82%	5.88%	5.93%	5.97%	6.02%	6.08%	6.13%	6.16%										
14.25	4.92%	5.65%	5.83%	5.89%	5.94%	5.98%	6.03%	6.09%	6.14%	6.17%										
14.50	4.93%	5.66%	5.84%	5.90%	5.95%	5.99%	6.04%	6.10%	6.15%	6.18%										
14.75	4.94%	5.67%	5.85%	5.91%	5.96%	6.00%	6.05%	6.11%	6.16%	6.19%										
15.00	4.95%	5.68%	5.86%	5.92%	5.97%	6.01%	6.06%	6.12%	6.17%	6.20%										
15.25	4.96%	5.69%	5.87%	5.93%	5.98%	6.02%	6.07%	6.13%	6.18%	6.21%										
15.50	4.97%	5.70%	5.88%	5.94%	5.99%	6.03%	6.08%	6.14%	6.19%	6.22%										
15.75	4.98%	5.71%	5.89%	5.95%	6.00%	6.04%	6.09%	6.15%	6.20%	6.23%										
16.00	4.99%	5.72%	5.90%	5.96%	6.01%	6.05%	6.10%	6.16%	6.21%	6.24%										
16.25	5.00%	5.73%	5.91%	5.97%	6.02%	6.06%	6.11%	6.17%	6.22%	6.25%										
16.50	5.01%	5.74%	5.92%	5.98%	6.03%	6.07%	6.12%	6.18%	6.23%	6.26%										
16.75	5.02%	5.75%	5.93%	5.99%	6.04%	6.08%	6.13%	6.19%	6.24%	6.27%										
17.00	5.03%	5.76%	5.94%	6.00%	6.05%	6.09%	6.14%	6.20%	6.25%	6.28%										
17.25	5.04%	5.77%	5.95%	6.01%	6.06%	6.10%	6.15%	6.21%	6.26%	6.29%										
17.50	5.05%	5.78%	5.96%	6.02%	6.07%	6.11%	6.16%	6.22%	6.27%	6.30%										
17.75	5.06%	5.79%	5.97%	6.03%	6.08%	6.12%	6.17%	6.23%	6.28%	6.31%										
18.00	5.07%	5.80%	5.98%	6.04%	6.09%	6.13%	6.18%	6.24%	6.29%	6.32%										
18.25	5.08%	5.81%	5.99%	6.05%	6.10%	6.14%	6.19%	6.25%	6.30%	6.33%										
18.50	5.09%	5.82%	6.00%	6.06%	6.11%	6.15%	6.20%	6.26%	6.31%	6.34%										
18.75	5.10%	5.83%	6.01%	6.07%	6.12%	6.16%	6.21%	6.27%	6.32%	6.35%										
19.00	5.11%	5.84%	6.02%	6.08%	6.13%	6.17%	6.22%	6.28%	6.33%	6.36%										
19.25	5.12%	5.85%	6.03%	6.09%	6.14%	6.18%	6.23%	6.29%	6.34%	6.37%										
19.50	5.13%	5.86%	6.04%	6.10%	6.15%	6.19%	6.24%	6.30%	6.35%	6.38%										
19.75	5.14%	5.87%	6.05%	6.11%	6.16%	6.20%	6.25%	6.31%	6.36%	6.39%										
20.00	5.15%	5.88%	6.06%	6.12%	6.17%	6.21%	6.26%	6.32%	6.37%	6.40%										
20.25	5.16%	5.89%	6.07%	6.13%	6.18%	6.22%	6.27%	6.33%	6.38%	6.41%										
20.50	5.17%	5.90%	6.08%	6.14%	6.19%	6.23%	6.28%	6.34%	6.39%	6.42%										
20.75	5.18%	5.91%	6.09%	6.15%	6.20%	6.24%	6.29%	6.35%	6.40%	6.43%										
21.00	5.19%	5.92%	6.10%	6.16%	6.21%	6.25%	6.30%	6.36%	6.41%	6.44%										
21.25	5.20%	5.93%	6.11%	6.17%	6.22%	6.26%	6.31%	6.37%	6.42%	6.45%										
21.50	5.21%	5.94%	6.12%	6.18%	6.23%	6.27%	6.32%	6.38%	6.43%	6.46%										
21.75	5.22%	5.95%	6.13%	6.19%																

NAME: Ed Sheehy, Jr DATE: 2-13-79

ADDRESS: 2031 11th Ave Helena

PHONE: 442-9930

REPRESENTING WHOM? Mont. Manufactured Housing Assoc

APPEARING ON WHICH PROPOSAL: SB 381

DO YOU: SUPPORT? X AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: William J. Neel DATE: 2-13-79

ADDRESS: 4750 Underpass Ave, Billings

PHONE: 248-7333

REPRESENTING WHOM? CHAR EL Homes Corp.

APPEARING ON WHICH PROPOSAL: SB-391

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: FRANK R. LEBOY DATE: FEB 15, 19

ADDRESS: 314 HILLTOP AVE KILLBUCK OHIO

PHONE: 257-7144

REPRESENTING WHOM? GOLDEN WILFELD TRADING

APPEARING ON WHICH PROPOSAL: 321

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Jack Bales DATE: Feb 12, 79

ADDRESS: 1501 Cedar

PHONE: 442-8877

REPRESENTING WHOM? American Ideal Homes

APPEARING ON WHICH PROPOSAL: Interest #381

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: Need interest ceiling changed so consumers

can obtain longer term financing.

NAME: R.D. RAUGITSCH DATE: 2.13.79

ADDRESS: 2001 IL BROADWAY MISSOURI

PHONE: 728-4010

REPRESENTING WHOM? RAUGITSCH Assoc Morris Co. Quincy

APPEARING ON WHICH PROPOSAL: SB 381

DO YOU: SUPPORT? YES AMEND? _____ OPPOSE? _____

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Bob Paper DATE: 2/13/79

ADDRESS: 5330 104th Ave So GREAT FALLS, MT

PHONE: 453-6529

REPRESENTING WHOM? Total Housing Center Inc

APPEARING ON WHICH PROPOSAL: ^{Senate} Bill 381

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: The 72nd Legislature is a very important one for Montana. It is a time when we are looking for solutions to the problems of the state. The housing problem is one of the most important of these. The housing problem is a problem that affects every citizen of the state. It is a problem that is not only a problem for the individual citizen, but it is a problem for the state as a whole. It is a problem that is not only a problem for the present, but it is a problem for the future. It is a problem that is not only a problem for the state, but it is a problem for the nation. It is a problem that is not only a problem for the state, but it is a problem for the world.

NAME: Bob Anderson

DATE: 2/13/20

ADDRESS: 203 PATTEN CHURCH DR. MISSOULA

PHONE: 728-7280

REPRESENTING WHOM? *SOUTHSIDE NATIONAL BANK*

APPEARING ON WHICH PROPOSAL: *S.B. 381*

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME :

DATE: 2-13-77

ADDRESS :

PHONE :

REPRESENTING WHOM?

APPEARING ON WHICH PROPOSAL:

DO YOU:

SUPPORT?

AMEND?

CPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Anna Nichols DATE: 11/11

ADDRESS: 2415 5th Avenue New York City

PHONE: 250-5018

REPRESENTING WHOM? Boys' National Movement

APPEARING ON WHICH PROPOSAL: 5-5 531

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Lorne L. Scofield DATE: 2-13-79

ADDRESS: 1901 E. Colfax Ave, Denver Colo

PHONE: (303)-333-7761

REPRESENTING WHOM? Shelter America Corporation

APPEARING ON WHICH PROPOSAL: Senate Bill 381

DO YOU: SUPPORT? Yes AMEND? OPPOSE?

COMMENTS: We are mortgage bankers, specializing in
mobile home loans. Currently providing FHA & VA
in 10 Western states (not Montana) We cannot
compete in Montana because interest rates are too
low to attract this type of financing. If this
bill passes we would be able to provide funds
for 15 or 20 year loans which would enable
Montana consumers to have better quality housing

NAME: GEORGE W SWORDS II DATE: 2/13/79

ADDRESS: 413 TERRY AVE. BILLINGS, MT.

PHONE: (406) 259-9977

REPRESENTING WHOM? Mont. Manufactured Housing Assn.

APPEARING ON WHICH PROPOSAL: SB 381 MT. RETAIL INSTALLMENT SALES

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: As Exec. field director for the Assn, and
being in contact with all members, I would
appreciate the opportunity to assist the
Senators & House members in any way I
can.

NAME: Lyle Linde DATE: 2-15-77

ADDRESS: 3439 10th Ave So. Great Falls

PHONE: 453 7668

REPRESENTING WHOM? Falls Mobile Home Center Inc.

APPEARING ON WHICH PROPOSAL: Senate Bill 381

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: Due to high prime interest rates

The 7% cap on financing rates is totally

impracticable and must be removed or

allowed to float based on prime

NAME Roger W. Young, Executive Vice President Bill No. SB 381
ADDRESS 926 Central Ave, P.O. Box 2127 Date Feb. 13, 1979
WHOM DO YOU REPRESENT? Great Falls Area Chamber of Commerce
SUPPORT XXX OPPOSE AMEND

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

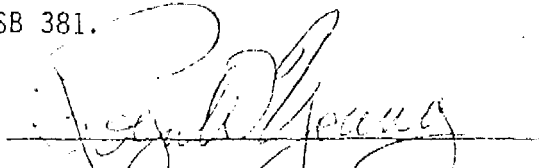
Comments:

The Legislative Action Committee of the Great Falls Area Chamber of Commerce favors this bill which will provide a much needed increase in the interest rate that can be charged to finance the purchase of mobile home.

For many years the Chamber has advocated the importance to the mobile home as an important housing alternative. Rising housing costs make it virtually impossible for many people to afford anything else.

Because the interest rate is now capped at 7% financing sources for many mobile home dealers in Great Falls is drying up and it has become necessary for them to go out of state to obtain such financing. The extra charges incurred to obtain such financing is borne by the seller, and of course passed on to the consumer. We feel it would be far more acceptable for the money market to be allowed to respond naturally.

We urge the passage of SB 381.



Roger W. Young, Executive Vice President
Great Falls Area Chamber of Commerce, Inc.

TO: The Honorable Frank Hazelbaker, Chairman
The Honorable Pat Goodover, Vice Chairman

Members of the Senate Business & Industry Committee
In Hearing, February 13, 1979

NAME: BRYAN ADRIEN DATE: 2-13-79

ADDRESS: 3308 N. Cole, Suite J, Boise, Idaho

PHONE: 208-377-3282

REPRESENTING WHOM? Shelter American Corp

APPEARING ON WHICH PROPOSAL: SENATE Bill 381

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Brian Hunter
Shelter America Corp.

Shelter America Corp. is a mortgage banking Assoc. specializing in manufactured housing & mobile home financing. Each state in the U.S. competes in attracting money into each market. Those states with the higher available rates, are the states that will attract needed financing, and bring money along with longer terms into that market. States like Montana with the lower interest rate caps cannot properly compete for needed financing. Lower interest rate caps restricts term, creates higher down payments, creates higher monthly payments, resulting in outrageous seller discount points, higher marketing fees, and lower lender yields. Contrary to belief money is readily available for factory built housing, unfortunately Montana's retailers, the mobile home dealer, suffer with inadequate competitive financing because of the lower rate.

Factory built housing is the only alternative to affordable housing for the buying public. Factory built housing is economically more feasible, than site built housing.

In 1978 site built housing cost/sq ft was \$450. Manufactured housing cost/sq ft was

1500 Sqft site built hmo/pmt 520
need \$2,080/mo to qualify on 30yr term
1500 Sqft manufactured home monthly
pmt is \$300/mo and need income of
\$1200/mo to qualify on 20yr term.

Your (Montana's) interest rate cap
restricts that buyer from 20yr term,
or the seller pays outrageous discount
points, it restricts the buying public
to 12 yr term. The monthly pmt
on that 1500 sqft manufactured home
goes from \$300/mo to \$370/mo and
he now needs a monthly income of
\$1430/mo instead of \$1200. Montana's
has not only restricted term it restricts
the buying public from buying a
large enough home to house his family.

5. 99% add on

120 mo. - 14.50

144 mo. - 14.11

180 mo. - 13.61

192 mo. - 13.46

204 mo. - 13.32

216 mo. - 13.18

228 mo. - 13.05

240 mo. - 12.93

77% add on

SENATE Business & Industry COMMITTEE

BILL 381

VISITORS' REGISTER

DATE 4.13

Please note bill no.

(check one)

NAME	REPRESENTING	BILL #	(check one) SUPPORT	OFF
Vernon C. Lewis	CIT Financial Service	381	✓	
DAVID L. FROESCH	West Management Home Co.	381	✓	
R.D. RAGOTZKE	Rowntree Assoc.	381	✓	
William J. Throck	Chalco Cores	381	✓	
Sam H. Boscarino	Family R.V. Center	381	✓	
John R. Miller	General Electric Credit Corp.	381	✓	
James J. Martin	Home Products Inc.	381	✓	
Don E. Dine	Home World Home	381	✓	
Ray E. Brown	Home Mobile Home	381	✓	
John B. Baker	American Steel Home	381	✓	
Howard Hanger	Mobile Home Shows & Sales	381	✓	
Harry H. H. H.	Home World Home	381	✓	
Bruce D. H. H.	Home World Home	381	✓	
Walter H. H.	Home World Home	381	✓	
John H. H.	Home World Home	381	✓	
Donald H. H.	Nationwide Acceptance Corp.	381	✓	
Scott R. L. L.	Golden Wheel Home	381	✓	
George H. H.	M. M. H. H.	381	✓	
Lyle L. L.	Home World Home Center Inc.	381	✓	
Bob L. L.	Home World Home	381	✓	
Brian L. L.	Home World Home	381	✓	
Lorne L. L.	Home World Home	381	✓	
Al L. L.	Home World Home	381	✓	
L. L. L.	Home World Home	381	✓	

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

STANDING COMMITTEE REPORT

February 13, 1979

MR. President:

We, your committee on Business and Industry

having had under consideration Senate Bill No. 381

Respectfully report as follows: That Senate Bill No. 381

DO PASS

BUSINESS & INDUSTRY COMMITTEE

Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
HJR 49		2/20	B&I committee	2/20	DO PASS	2/20
SB 268	AUTHORIZING THE SALE AND ISSUANCE OF NOTES IN ANTICIPATION OF FEDERAL AND STATE GRANTS & LOANS,	2/19	LOWC	3/2/79	BE CONCURRED IN	3/2
SB255	CLARIFY THE LIMITATIONS ON INVESTMENTS BY BUILDING AND LOAN AND SAVINGS & LOAN ASSO.	2/20	THIESSEN	3/2	BE CONCURRED IN	3/2
SB 381	SET THE MAXIMUM FINANCE CHARGE FOR RETAIL INSTALLMENT SALES OF ANY MANUFACTURED STRUCTURE OR RECREATIONAL VEHICLE AT \$9 PER \$100 per YEAR...	2/20	HIMSEL	3/1	BE CONCURRED IN	3/2
SJR 24	DELETE THE REQUIREMENT THAT WHEN A FRANCHISE NAME IS USED A REAL ESTATE BROKER NAME MUST CONSTITUTE AT LEAST 50% OF THE ENTIRE COMBINED SURFACE...	2/21	TURNAGE	3/2	BE CONCURRED IN	3/2
SB 302	INCREASE THE NUMBER OF GROUPS WHICH MAY OBTAIN TEMPORARY PERMITS TO SELL BEER OR ALL ALCOHOLIC BEVERAGES...	2/21	REGAN	3/5	NOT BE CONCURRED IN	3/13

March 1, 1979
Business & Industry
46th Legislative Session

The Business & Industry Committee of the House held a meeting Thursday, March 1, 1979 in room 437. The meeting was called to order at 9:00 a.m. by Chairman Joe Quillici. All members were present except Rep. Meyer and Rep. Stobie.

The meeting was opened to a hearing on SB 381.

Senator Himsel, sponsor, introduced the bill to the committee. Copy of Senator Himsel's testimony is attached.

Mr. Ed Sheehy representing the Montana Manufactured Housing Assoc., spoke in support of the bill. He said that mobile homes should be stricken from the definition of motor vehicles. He said that most banks and finance companies will not carry the paper on a mobile home contract because of the low interest rate. It costs them more to loan the money than they can make on the loan. This bill would raise the interest rate and therefore enable banks and finance companies to make the loans and extend the length of the loan; thus enabling more people to buy mobile homes.

Several persons representing the mobile home industry arose in support of the bill concurring with Senator Himsel and Mr. Sheehy. They were: Don Clayton, C & C Mobile Homes in Great Falls, Trent LeDuc, Golden Wheels Inc. Kalispell, Bruce Stiegler, Mobile Homes Show & Sales, Missoula, Bob Rangitsch, Rangitsch Bros, Missoula, Bob Paper, Total Housing Center, Great Falls, John Johnston, Mt. Mobile Homes, Helena, Glen Miller, General Electric Credit Corp., and Gary Mill, Missoula. Others who were present are listed on the witness sheet.

Harold Pitts, Mt. Bankers Assoc., spoke in favor of the bill. He said that when the rate was established, the interest rate for housing loans was at 6%. At that time 7% on mobile homes seemed adequate. Since then the industry has grown and the interest rates have gone way up. He said it was time for a change.

There were no opponents to SB 381

Questions from the committee followed. One of the concerns of the committee was whether recreational vehicles should be included in this bill.

Senator Himsel closed on SB 381.

EXECUTIVE SESSION:

SB 39

Rep. Cooney moved that SB 39 BE CONCURRED IN. During discussion it was brought up that the penalty section on page 18 should be changed back to the original way. The committee asked attorney Dave Coogly to look into the bill. Rep. Cooney withdrew his motion as to give the attorney time to look over the bill.

SB 55

Rep. Tropila made a motion that SB 55 BE CONCURRED IN. Discussion on the motion followed. Rep. Nathe said that he felt if there were protesters in an application case, they should have to pay half of the fee. Following discussion a vote was taken and carried 15 - 1 with 3 absent. Rep. Nathe voted no. Rep. Tropila will carry SB 55.

SB 39

Dave Coogley looked into the bill and worked out the amendment. Rep. Harper moved the amendment (see attached). A vote was taken and carried unanimously to amend SB 39.

Rep. Harper made a motion that SB 39 AS AMENDED BE CONCURRED IN. Following discussion a vote was taken and carried unanimously. Rep. Harper will carry SB 39 on the floor.

SB 70

The committee was concerned about the intent of the bill. Several members had received calls concerning the bill. There seemed to be some confusion about who would be included as house movers.

Rep. Jensen made a motion that SB 70 BE CONCURRED IN. Following discussion, Rep. Ellison made a motion pending all other motions that action on SB 70 be deferred for 2 committee days. The motion was seconded by Rep. Ellerd. A vote was taken on the motion to defer action and carried unanimously.

SB 381

Rep. Cooney moved that SB 381 BE CONCURRED IN. Discussion followed. Because of the concern of some of the members that recreational vehicles should not be included, Vice Chairman Vincent said that the committee would defer action until the matter could be looked into.

March 2, 1979
Business & Industry
46th Legislative Session

The Business & Industry Committee held a meeting in room 437 at 9:00 a.m. March 2, 1979. All members were present except Rep. Meyer and Rep. Nathe.

Chairman Quilici called the meeting to order and opened the meeting to a hearing on SJR 24.

Senator Turnage, sponsor, introduced the bill to the committee and gave background information on the bill. The resolution would delete the requirement that when a franchise name is used, a real estate broker/franchisee's name must constitute at least 50% of the entire combined surface area covered by both the broker's name and the franchise name or logotype.

There were no opponents to SJR 24.

Questions from the committee followed.

Senator Turnage closed on SJR 24.

Hearing on SB 62.

Senator Lowe, sponsor, explained the bill to the committee. The bill would authorize temporary electrical connections by power suppliers without inspection.

OPPONENTS

Bruce Lobel, Mt. Dakota Utilities, appeared in opposition to SB 62. He said that possibly they could support the bill if it was amended so that the power supplier is not liable to any person on account of a temporary connection made without a preconnection inspection. He submitted to the committee proposed amendments. (See attached)

There were no other opponents to SB 62.

Questions from the committee followed.

Jim Kimble, Building Code Div., answered questions for the committee and explained the intent of the bill.

Senator Lowe closed on SB 62.

EXECUTIVE SESSION CONT.

SB 62

Rep. Stobie moved that SB 62 BE CONCURRED IN. Discussion on the motion followed. The main concern seemed to be whether the temporary connection would be just for periods during construction or if it would include hook-ups to completed areas also. The committee decided that the amendments submitted by the Dakota Utility Co. (see attached) were not good because it took all the responsibility off the utility companies. Following discussion a vote was taken and carried 11 - 5. Rep. Tropila, Robbins, Sheldon, Harper and Ellison voted no. No one in the committee was assigned to carry the bill.

SB 268

Rep. Ellison moved that SB 268 BE CONCURRED IN. The motion was discussed. A vote was taken and carried 16 - 1. Rep. Stobie voted no. Rep. Ellison will carry SB 268.

SB 209

Rep. Tropila made a motion that SB 209 BE CONCURRED IN.

Rep. Vincent made a sub-motion that SB 209 be amended on page 2, line 11, striking the word "use" and inserting "granting". The motion was discussed. A vote carried 9 - 8.

Rep. Tropila restated his motion that AS AMENDED SB 209 BE CONCURRED IN. Following discussion a vote was taken and carried unanimously. Rep. Tropila will carry the bill in the House.

SB 255

Rep. Robbins moved that SB 255 BE CONCURRED IN. Discussion followed. A vote was called and carried unanimously. Representative Kvaalen will carry the bill in the House.

SB 371

Rep. Spilker made a motion that SB 371 BE CONCURRED IN. Discussion followed. A vote was taken and carried unanimously. Rep. Spilker will carry the bill in the House.

SB 381 (hearing held on 3/1/79)

Rep. Kessler passed out amendments to SB 381. (see attached) The amendments would exclude "recreational vehicles" from the bill. Discussion on the amendments followed.

March 2, 1979
Business & Industry
Page 5

SB 381 cont,

A vote was taken on the motion to amend made by Rep. Kessler. The vote failed 6 - 11.

Rep. Ellison made a motion that SB 381 BE CONCURRED IN. Following discussion a vote was taken and carried 16 - 1. Rep. Ellerd voted no. Rep. Fabrega will carry the bill in the House.

SB 108 (hearing on 3/1/79)

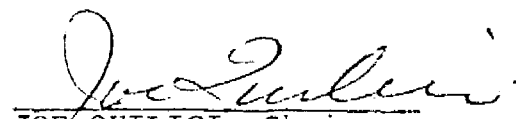
Rep. Frates made a motion that SB 108 BE CONCURRED IN. The motion was discussed. Rep. Ellerd was very much opposed to the bill. He felt that the bill should be amended in some way to exclude the communities that did not want the catering license. Rep. Gerke was present to answer questions for the committee. Rep. Stobie suggested that the bill be held up for further study. Chairman Quilici said that a straw vote would be taken to see if a delay was really necessary. The straw vote was not that close so Chairman Quilici said a motion was in order.

Rep. Frates restated his motion that SB 381 BE CONCURRED IN. A vote carried 13 - 4. Rep. Ellerd, Jensen, Stobie, and Shelden voted no. Rep. Tropila will carry the bill in the House.

A motion was made and seconded to adjourn.

Meeting adjourned at 11:35 a.m.

Respectfully submitted,


JOE QUILICI, Chairman

JQ:cm

SENATE BILL NO. 381

INTRODUCED BY HIMSL, SEVERSON, GOODOVER, FABREGA

A BILL FOR AN ACT ENTITLED: "AN ACT TO SET THE MAXIMUM FINANCE CHARGE FOR RETAIL INSTALLMENT SALES OF ANY MANUFACTURED STRUCTURE OR RECREATIONAL VEHICLE AT \$9 PER \$100 PER YEAR; DEFINING MANUFACTURED STRUCTURE AND RECREATIONAL VEHICLE; AMENDING SECTIONS 31-1-202 AND 31-1-241, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 31-1-202, MCA, is amended to read:

"31-1-202. Definitions. (1) Unless the context requires otherwise, in this part the following definitions apply:

(a) "Cash sale price" means the price stated in a retail installment contract or in a sales slip or other memorandum furnished by a retail seller to a retail buyer under or in connection with a retail charge account agreement for which the seller would have sold or furnished to the buyer and the buyer would have bought or obtained from the seller the goods or services which are the subject matter of the retail installment transaction, if the sale had been a sale for cash. The cash sale price may include any taxes, registration, certificate of title, license, and

official fees and cash sale prices for services, if any, and for accessories and their installation and for delivering, servicing, repairing, or improving the goods.

(b) "Department" means the department of business regulation provided for in Title 2, chapter 15, part 18.

(c) "Finance charge" means the amount, as limited by 31-1-241, in addition to the principal balance, agreed upon between the buyer and the seller, to be paid by the buyer for the privilege of purchasing goods or services to be paid for by the buyer in one or more deferred installments.

(d) "Goods" means all chattels personal, including motor vehicles and merchandise certificates or coupons exchangeable for chattels personal but not including money or things in action. The term includes goods which, at the time of the sale or subsequently, are to be so affixed to realty as to become a part thereof, whether or not severable from it.

(e) "Holder" means the retail seller of the goods or services under the retail installment contract or retail charge account agreement or a person who establishes and administers retail charge account agreements with retail buyers; the assignee, if the retail installment contract or the retail charge account agreement or the balance in the account under either has been sold or otherwise transferred; or any other person entitled to the rights of the retail

1 seller under any retail installment contract or any retail
2 charge account agreement.

3 ~~(f) "Manufactured structure" means any structure,~~
4 ~~transportable in one or more sections, designed to be used~~
5 ~~as a single-family dwelling or commercial building with or~~
6 ~~without a permanent foundation when connected to the~~
7 ~~required utilities and includes the plumbing, heating, air~~
8 ~~conditioning, and electrical systems contained therein.~~

9 ~~(f)(g) "Motor vehicle" means any new or used~~
10 ~~automobile, mobile---home, motorcycle, truck, trailer,~~
11 ~~semitrailer, truck tractor, and all vehicles with any power,~~
12 ~~other than muscular power, primarily designed or used to~~
13 ~~transport persons or property on a public highway,~~
14 ~~excepting, however, any vehicle which runs only on rails or~~
15 ~~tracks or in the air.~~

16 ~~(g)(h) "Official fees" means the fees prescribed by~~
17 ~~law for filing, recording, or otherwise perfecting and~~
18 ~~releasing or satisfying any title or lien retained or taken~~
19 ~~by a seller in connection with a retail installment~~
20 ~~transaction.~~

21 ~~(h)(i) "Person" means an individual, partnership,~~
22 ~~corporation, association, and any other group, however~~
23 ~~organized.~~

24 ~~(i)(j) "Principal balance" means the cash sale price~~
25 ~~of the goods or services which are the subject matter of a~~

1 retail installment transaction plus the amounts, if any,
2 included in the sale, if a separate identified charge is
3 made therefor and stated in the contract, for insurance and
4 other benefits and official fees, minus the amount of the
5 buyer's down payment in money or goods.

6 ~~(k) "Recreational vehicle" means a vehicular type unit~~
7 ~~that either has its own motor power or is mounted on or~~
8 ~~drawn by another vehicle, primarily designed as temporary~~
9 ~~living quarters for recreational, camping, or travel use.~~

10 ~~(j)(l) "Retail buyer" or "buyer" means a person who~~
11 ~~buys goods or obtains services from a retail seller in a~~
12 ~~retail installment transaction and not for the purpose of~~
13 ~~resale.~~

14 ~~(k)(m) "Retail charge account agreement" means an~~
15 ~~instrument in writing prescribing the terms of retail~~
16 ~~installment transactions which may be made under it from~~
17 ~~time to time under which a retail seller gives to a retail~~
18 ~~buyer the privilege of using a credit card issued by the~~
19 ~~retail seller or any other person or other credit~~
20 ~~confirmation or identification for the purpose of purchasing~~
21 ~~goods or services from the retail seller, from the retail~~
22 ~~seller and any other person, or from a person licensed or~~
23 ~~franchised by the retail seller and under the terms of which~~
24 ~~a finance charge as defined in this section may be computed~~
25 ~~in relation to the buyer's balance in the account from time~~

1 to time.

2 {t}{l} "Retail installment contract" or "contract"
3 means an agreement evidencing a retail installment
4 transaction entered into in this state under which a buyer
5 promises to pay in one or more deferred installments the
6 time sale price of goods or services, or both. The term
7 includes a chattel mortgage, conditional sales contract, and
8 a contract for the bailment or leasing of goods by which the
9 bailee or lessee contracts to pay as compensation for its
10 use a sum substantially equivalent to or in excess of its
11 value and by which it is agreed that the bailee or lessee is
12 bound to become, or for no further or a merely nominal
13 consideration has the option of becoming, the owner of the
14 goods upon full compliance with the provisions of the
15 contract.

16 {m}{l} "Retail installment transaction" means a
17 written contract to sell or furnish, or the sale or
18 furnishing of, goods or services by a retail seller to a
19 retail buyer pursuant to a retail charge account agreement
20 or under a retail installment contract.

21 {m}{l} "Retail seller" or "seller" means a person who
22 sells goods or furnishes services to a retail buyer in a
23 written retail installment contract or written retail
24 installment transaction.

25 {t}{l} "Sales finance company" means a person engaged,

1 in whole or in part, in the business of purchasing retail
2 installment contracts from one or more sellers. The term
3 includes but is not limited to a bank, trust company,
4 investment company, or savings and loan association, if so
5 engaged. The term does not include a person who makes only
6 isolated purchases of retail installment contracts, which
7 purchases are not being made in the course of repeated and
8 successive purchases of retail installment contracts from
9 the same seller.

10 {t}{l} "Services" means work, labor, and services
11 furnished in the delivery, installation, servicing, repair,
12 or improvement of goods.

13 {t}{l} "Time sale price" means the total of the cash
14 sale price of the goods or services and the amount, if any,
15 included for insurance and other benefits, if a separate
16 identified charge is made therefor, and the amounts of the
17 official fees and the finance charge.

18 {2} This part does not apply to the lending of money
19 by banks or other lending institutions and securing loans by
20 chattel mortgages of goods in the ordinary course of lending
21 by those banks or other lending institutions. However, this
22 part pertains to the extension of credit by those banks or
23 other lending institutions under retail installment
24 contracts or credit cards issued by those banks or other
25 lending institutions."

Section 2. Section 31-1-241, MCA, is amended to read:

"31-1-241. Finance charge limitation. (1)

Notwithstanding the provisions of any other law, the finance charge included in a retail installment contract shall not exceed the following schedule:

(a) as to motor vehicles:

(i) class 1--any new motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made, \$7 per \$100 per year;

(ii) class 2--any new motor vehicle not in class 1 and any used motor vehicle designated by the manufacturer by a year model of the same or not more than 2 years prior to the year in which the sale is made, \$9 per \$100 per year;

(iii) class 3--any used motor vehicle not in class 2 and designated by the manufacturer by a year model more than 2 years prior to the year in which the sale is made, \$11 per \$100 per year.

(b) as to any industrial or construction equipment primarily designed for or used in construction, logging, mining, or other industrial business, the price of which is over \$5,000, \$9 per \$100 per year. This subsection shall not apply to agricultural equipment.

(c) as to any manufactured structure or recreational vehicle, \$9 per \$100 per year.

~~te}(d)~~ as to services and goods other than as provided

under subsections (1)(a), and (1)(b), and ~~(1)(c)~~ above:

(i) on so much of the principal balance as does not exceed \$300, \$11 per \$100 per year;

(ii) if the principal balance exceeds \$300 but is less than \$1,000, \$9 per \$100 per year on that portion over \$300;

(iii) if the principal balance exceeds \$1,000, \$7 per \$100 per year on that portion over \$1,000.

(2) Such finance charge shall be computed on the principal balance as determined under 31-1-231(5) on contracts payable in successive monthly payments substantially equal in amount from the date of the contract until the maturity of the final installment, notwithstanding that the total time balance thereof is required to be paid in installments. A minimum finance charge of \$20 may be charged on any retail installment contract.

(3) When a retail installment contract provides for payment other than in equal successive monthly installments, the finance charge may be a rate which will provide the same yield as is permitted on monthly payment contracts under subsections (1) and (2) hereof, having due regard for the schedule of payments in the contract.

(4) Notwithstanding the provisions of any other law, a retail charge account agreement may provide for and the seller or holder may charge, collect, and receive a finance charge as specified herein for the privilege of paying in

1 installments thereunder. The finance charge may be computed
2 from month to month (which need not be a calendar month) or
3 other regular billing cycle period by applying a rate not to
4 exceed 1 1/2% for each such monthly period to an amount (not
5 including any unpaid finance charge) not in excess of the
6 greatest of:

7 (a) the average daily balance in the account in the
8 billing cycle period;

9 (b) the ending balance of the account as of the last
10 day of the billing cycle less the amount of purchases
11 charged to the account during that billing cycle; or

12 (c) the median amount within a \$10 range within which
13 such average daily balance or beginning balance falls,
14 provided the seller applies the same rate of finance charge
15 to all such balances within such range.

16 (5) If the finance charge so determined pursuant to
17 (4) above for such monthly period is less than 50 cents, a
18 maximum finance charge not in excess of 50 cents may be
19 charged, received, and collected for such period."

20 Section 3. Effective date. This act is effective on
21 passage and approval.

-End-